

UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON 25, D.C.

ADDRESS REPLY TO  
"U.S. CIVIL SERVICE COMMISSION"  
AND REFER TO

FILE

RH:TK:sbt  
AND DATE OF THIS LETTER

FEB 4 1960

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President  
Government Employees Health Assn.  
2430 E. Street, N. W.  
Washington, D. C.

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Dear [redacted]

Enclosed for your information is a brief summary description of the Government-wide indemnity plan now being discussed with the carrier under the Federal Employees Health Benefits Program. The description is of course tentative since we have not yet entered into contracts with any carriers. It is quite likely that some changes may be made before contracts are executed. If any significant changes do occur, I will inform you of them.

Because we have not yet made any public announcement of the details of any plan to be offered under the Health Benefits program, I would appreciate it very much if you would not disclose any of the enclosed information except to those people in your organization who need to have it.

We expect to send you a summary description of the Government-wide service benefit plan within the next few days.

Sincerely yours,

*Andrew E. Ruddock*

Andrew E. Ruddock  
Director

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GOVERNMENT-WIDE INDEMNITY BENEFIT PLAN

DESCRIPTION OF OPTIONS

If a "covered individual" incurs "Covered Medical Expenses" -- "Hospital Board and Room Expenses" or "Other Hospital and Medical Expenses" -- the Plan pays in accordance with the following schedule:

|                                     | <u>OPTION ONE</u>   | <u>OPTION TWO</u>   |
|-------------------------------------|---|---|
| HOSPITAL BOARD AND ROOM EXPENSES    | 100% of the first \$250 of Hospital Board and Room Expenses incurred in any calendar year, then 75% of any additional such expenses   | 100% of the first \$2,000 of Hospital Board and Room Expenses incurred in any calendar year, then 80% of any additional such expenses.  |
| OTHER HOSPITAL AND MEDICAL EXPENSES | 75%* of Other Hospital Expenses and Medical Expenses in or out of hospital in excess of the Deductible which is the first \$50 of such expenses incurred in any calendar year, regardless of the number of injuries or diseases. The first \$30 for out-of-hospital drugs does not apply toward the deductible. | 80%* of Other Hospital Expenses and Medical Expenses in or out of hospital in excess of the Deductible which is the first \$50 of such expenses incurred in any calendar year, regardless of the number of injuries or diseases. The first \$30 for out-of-hospital drugs does not apply toward the deductible. |
| MAXIMUM BENEFIT                     | \$10,000 for all years combined. For an individual confined in a hospital or other institution on the effective date, the maximum is \$500 for that confinement.  | \$15,000 for all years combined. For an individual confined in a hospital or other institution on the effective date, the maximum is \$1,000 for that confinement.  |
| RESTORATION OF MAXIMUM BENEFIT      | Automatic each year of \$500.   | Automatic each year of \$1,000.   |
| MATERNITY BENEFIT                   | \$150.  | \$150.  |
| BIWEEKLY NET TO CARRIER:            |   |   |
| Individual                          | \$ 2.50 - 5.42 per mo + 4% (.22)  | 3.50 758 per mo + 4% (.30)  |
| Family                              | \$ 6.00 13.00 per mo + 4% (.52)   | 8.40 1820 per mo + 4% (.73)   |

\*However, for such excess expenses which are for treatment of a mental or nervous disorder while not confined in a hospital or similar institution, the Plan pays 50%.